

SEC/Enforcement/321/2005
May 7, 2005

By Special Messenger

Tripti Industries Limited
Amin Court, 62-63, Motijheel C/A, Dhaka-1000

Directors
Tripti Industries Limited, Amin Court, 62-63, Motijheel C/A, Dhaka-1000

Managing Directors
Tripti Industries Limited, Amin Court, 62-63, Motijheel C/A, Dhaka-1000

Company Secretary
Tripti Industries Limited, Amin Court, 62-63, Motijheel C/A, Dhaka-1000

Sub: Non-compliance with securities related laws: Warning

As per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII OF 1969) M/s Tripti Industries Limited is an issuer (herein after referred to as “issuer”).

The Commission formed two enquiry committee vide Order No. SEC/SRMID/94-117/67 dated March 8, 2004 and Order No. SEC/SRMID/94-117/78 dated March 16, 2004 under section 21 of the Securities and Exchange Ordinance, 1969 and under clause 6 of the Securities and Exchange Rules, 1995 to hold and conduct enquiry into the transactions made since February, 2004 in the securities of Tripti Industries Limited in the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited including all matters incidental thereto.

The findings of the enquiry committee concerned are as follows:

1. The market and investors in general, other than the alleged insiders who traded during the period under enquiry, and SEC as well, were not informed about the lay-off of Tripti Industries Ltd. The record keeping system in respect of the company's board decisions were not also systematic/lawful.
2. There was undisclosed/undecided price sensitive information in respect of prospective amalgamation or merger between Tripti Industries Ltd. and Olympic Industries Ltd. which was, however, at premature stage.
3. The persons traded (namely, Messrs. T. K. Poddar, Pankaj Roy, Maksudur Rahman and Sabita Rani Bose) were insiders and that the enquiry committee suspected that those persons were involved in insider trading of the said Tripti's shares during the period under consideration.

The issuer has contravened the provisions of the SEC Notification No. SEC/SRMID/2000-985/2248/Pra-02/1 dated 19.12.2000, published in the Bangladesh Gazette on 25.02.2001, by not disclosing its price sensitive information in respect of declaration of the lay-off of its factory in 2000, and subsequent periodical time extension thereof until 2004/2005.

The aforesaid contravention of the securities related laws appeared to be deliberate attracting appropriate measures under the securities related laws.

However, the Commission, considering the submissions/explanations of the issuer, has decided to dispose off the proceedings against Tripti Industries Limited for the stated contravention, by placing on record the Commission's dissatisfaction on the defaults made by the company and its official concerned, with a warning to ensure compliance of all securities related laws in future.

Please note that this disposal does not absolve the issuer or any of its directors or officers concerned from their lawful responsibilities/obligations to the persons, if any, affected as a result of the issuer's above said defaults.

For the Securities and Exchange Commission

Mansur Alam
Executive Director

CC:
CEO, Dhaka Stock Exchange Limited
CEO, Chittagong Stock Exchange Limited
Executive Director (R&D), SEC
Executive Director (SRMID), SEC
Director (MIS), SEC
Chairman's Office, SEC